

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2018-202-E**

IN RE: Petition of Duke Energy Carolinas, LLC	)	
And Duke Energy Progress, LLC for	)	<b>SCSBA's MOTION:</b>
Approval of CPRE Queue Number	)	1. Leave to File Responsive
Proposal, Limited Waiver of Generator	)	Comments;
Interconnection Procedures, and Request	)	2. Delay a Final Report; and
for Expedited Review	)	3. Open a New Docket.
	)	

**INTRODUCTION**

**COMES NOW**, Intervenor, the South Carolina Solar Business Alliance, Inc. (“SCSBA”), by and through counsel, and respectfully requests that the Public Service Commission of South Carolina (“Commission”) grant the SCSBA leave to file Comments in this Docket in response to: the Generator Interconnection Queue Report of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (collectively, “Duke”) filed on January 11, 2019 (“the Duke Report”); and the Report of the Office of Regulatory Staff filed on February 15, 2019 (“the ORS Report”). SCSBA further requests that the Commission not take any final action in relation to the recommendations in the ORS Report unless and until other interested parties, including SCSBA, have had the opportunity to comment on the issues raised in the Duke Report and the ORS Report. And finally, the SCSBA further requests that this Commission open a separate Docket to specifically examine the technical issues contributing to Duke’s Interconnection Queue challenges.

**BACKGROUND**

On October 31, 2018, this Commission issued a Directive Order granting, in part, Duke’s request for limited waiver of certain provisions of the South Carolina Generator Interconnections Procedures (“SCGIP”) to allow South Carolina projects to bid into and enter the Competitive Procurement Renewable Energy (“CPRE”) Queue.<sup>1</sup> This Commission identified two areas of concern raised by other parties in the Docket, relating to:

- (1) The backlog of the Duke’s existing queues that are administered under the SCGIP; and
- (2) Whether Duke’s proposal could result in undue negative impacts to South Carolina projects not bidding into the CPRE Program and the possibility that non-CPRE projects could be treated in a discriminatory manner, particularly with regard to study resources allocated between projects under the SCGIP and projects allocated to CPRE projects.

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<sup>1</sup> This Commission issued Order No. 2018-803, finalizing the decision represented in the Directive Order, on December 12, 2018. An Amended Order (Order No. 2018-803(A)), correcting a “scrivener’s error” in Order No. 2018-803(A), was issued on December 19, 2018.

Based on these concerns, the Commission required Duke to report on the “status of its queue, the reasons for the backlog, and its plan to remedy the problem to the Commission within 30 days of the date of this order.”<sup>2</sup> The Commission also required Duke to include in its report interconnection information about CPRE versus non-CPRE projects, as well as more detailed project-specific interconnection information “if requested by ORS.” The Commission’s order also requested that ORS “follow up with an investigation and also report on the status of the queue within thirty (30) days of the date of the Utilities’ report.”

#### Duke’s Report.

Duke filed its Report on January 11, 2019. In SCSBA’s view there are numerous deficiencies in the Duke Report, both in terms of the information provided and in the Duke’s representation of the reasons for “the SC Interconnection Queue Challenges.” SCSBA also maintains that some of Duke’s, “Plans to Remedy the Queue Challenges” set forth in the Duke Report are problematic and not based on a fair and accurate representation of the facts. In addition, Duke refused in the Duke Report to provide any of the CPRE-specific information requested by this Commission because the Independent Administrator (“IA”) of the CPRE program “is not publicly announcing CPRE Market Participants (bidders) while the evaluation is underway.” Duke Report at 18. Duke did not state that this information was not available to Duke, or that it could not be provided to this Commission either under seal, or on an anonymized or aggregate basis.

#### ORS’ Report.

ORS provided its Report to this Commission on February 15, 2019. Notwithstanding this Commission’s request that ORS conduct an “investigation” of the Duke Report, ORS based its own Report entirely on a review of the following materials: (1) the Duke Report itself; (2) comments filed by Duke and other parties in this Docket (prior to the filing of the Duke Report); (3) discovery responses received from Duke “regarding current queue management practices and the proposed CPRE Program,” prior to issuance of the Duke Report. ORS did not seek to gather any additional facts for its investigation, either from Duke or other parties who provided comments in this Docket.<sup>3</sup>

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<sup>2</sup> Duke did not provide the required Report within 30 days of this Commission’s Directive Order. Instead, Duke provided the Report on January 11, 2019, 30 days after this Commission’s entry of Order No. 2018-803.

<sup>3</sup> ORS did discuss the Report with SCSBA, but neither requested nor accepted any information from the SCSBA (or, to SCSBA’s knowledge, any other party) in conducting its investigation.

The ORS Report provides a high-level summary of the Duke Report and concludes that “it contains the information required by Order No. 2018-803(A),” as well as “the detailed [interconnection] interval statistics as requested by ORS” pursuant to this Commission’s Order. ORS does note that the Duke Report, “does not provide sufficient information for ORS to determine the specific reasons why projects that entered the queue in 2015 and 2016 [which constitute a significant proportion of the interconnection queue backlog] are still under review, nor does it provide a complete picture of all projects in Duke Energy’s queues that trigger the interdependent status of SC projects.”

ORS’ Recommendations.

Notwithstanding the observed incompleteness of the Duke Report and ORS’s decision to limit ORS’ Report to a review of the materials it already had in hand, the ORS Report makes several recommendations to this Commission to address the interconnection backlog in South Carolina. Specifically, ORS recommends that this Commission do the following:

1. Open a Docket to specifically examine the technical issues contributing to Duke’s interconnection queue challenges;
2. Require Duke to strictly adhere to the SCGIP timelines;
3. Require Duke cease all practices not identified in the SCGIP;
4. Allow other interested parties an opportunity in this Docket to investigate and provide comments to the Commission on Duke’s Interconnection Report; and
5. Require Duke to pursue the remedies identified in the Interconnection Report and include updates on these remedies in the required quarterly update reports to this Commission and ORS.

SCSBA strongly agrees with ORS that this Commission should allow other interested parties an opportunity in this Docket to investigate and provide comments on the Duke Report (**ORS Recommendation 4**) and should open a new Docket on technical issues related to interconnection challenges (**ORS Recommendation 1**). However, ORS’s recommendations that this Commission “require Duke Energy to cease all practices not identified in the SCGIP” and to “pursue the remedies identified in the Interconnection Report” (**ORS Recommendations 3 and 5**) are based on an incomplete and one-sided presentation of the facts related to Duke’s queue processing issues in South Carolina. Moreover, they would have severe adverse consequences apparently not understood or foreseen by ORS.<sup>4</sup> Finally, with respect to the recommendation

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<sup>4</sup> For example, ORS recommends that Duke be required to cease its practice of offering interconnection customers “mitigation options” to deal with technical issues identified in the system impact study, on the ground that it

that Duke be required to “strictly adhere to the SCGIP guidelines,” it is unclear whether ORS is recommending that this Commission take any steps other than those discussed elsewhere in the Report.

### **MOTION**

The Grounds for this Motion are the facts described hereinabove and the SCSBA respectfully requests that this Commission:

1. Provide SCSBA and other interested parties an opportunity in this Docket to investigate and provide comments to this Commission on the Duke Report and the ORS Report (**ORS Recommendation 4**);
2. Open a separate Docket to specifically examine the technical issues contributing to Duke interconnection queue challenges (**ORS Recommendation 1**); and
3. Except as described above, refrain from implementing any of the recommendations proposed in the ORS Report, until the parties have had a full and fair opportunity to be heard on the issues raised by the Reports.

### **CONCLUSION**

Based on the foregoing, this Commission should, (i) Provide SCSBA and other interested parties an opportunity in this Docket to investigate and provide comments to the Commission on the Duke Report and the ORS Report (ii) open a separate Docket to specifically examine the technical issues contributing to Duke interconnection queue challenges (iii) except as described above, refrain from implementing any of the recommendations proposed in the ORS Report, until the parties have had a full and fair opportunity to be heard on the issues raised by the Reports and (iv) GRANT SUCH OTHER AND FURTHER RELIEF AS THIS COMMISSION DEEMS JUST AND APPROPRIATE.

**[Signature Page Follows]**

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conflicts with Sections 1.4 and 4.3.3 of the SCGIP (SCSBA strongly disagrees with this legal interpretation). Although not specifically provided in the SCGIP, the mitigation options process among other things allows the utility and interconnection customers to avoid some of the extreme unfairness that can result when the utility imposes new technical standards on projects that have been pending in the interconnection queue for long periods of time (such as Duke’s Method of Service guidelines, which substantially reduced the maximum capacity of projects that the Companies would allow for certain kinds of distribution interconnections). If Duke were to cease offering mitigation options, it would likely result in: (1) a significant proportion of older projects being withdrawn from the queue based on their inability to meet current technical standards without modification; and (2) immediate litigation over those technical standards by developers whose portfolios of projects would be effectively wiped out by the change.

Respectfully submitted, this the 5<sup>th</sup> day of March 2019.

/s/Richard L. Whitt

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March 5, 2019  
Columbia, South Carolina